

# Herald Tribune

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## Police Besieged in Town

## ew Political Crisis rupts in Portugal

From Wire Dispatches  
LISBON, Portugal, March 9.—Thousands of angry townspeople and police headquarters here yesterday, demanding "popular justice" for policemen who, they said, killed a man in a political fight.

The victim was shot Friday night during a clash with police after a broke up the political rally of a leftist party, the Popular Front. Doctors said another man was in a coma with a head wound and was not expected to live. Seventeen others were injured—most from gunshot wounds.

At dusk yesterday, troops were able to evacuate the police from inside the building by truck. It was the third attempt. There were no further incidents.

Another attempt to disrupt a weekend Popular Democratic party meeting in Oporto, caused two injuries.

### Communists Accused

The Popular Democratic party tonight accused its Communist partners in the coalition provisional government of being involved in the weekend violence at Setubal, 15 miles south of Lisbon.

Julio Castro Caldes, one of the party leaders, said at a news conference that Communist party militants "were identified and photographed among the attackers."

Although a deep split has set the Socialists and the Popular Democrats against the Communists within the coalition, it was the first time that one party had accused another of a major act of violence.

Communist party chief Alvaro Cunhal said today that Portugal has entered a political crisis provoked by a campaign by "the reactionaries" to overthrow the ruling Armed Forces Movement. Addressing a Lisbon rally, he compared the campaign to the July and August crises, which led to the ouster of Gen. Antonio de Spínola.

Tide of Violence  
The Setubal incidents were the worst yet in a rising tide of violence that threatens to spoil Portugal's first free elections in half a century. Voting for a constitutional assembly is scheduled for April 12.

Five American and British reporters were attacked by crowds in a Setubal café early yesterday as they tried to telephone reports on the demonstration. One of them, British correspondent Christopher Reed, suffered a brain concussion while being clubbed and kicked.

Mr. Reed, who covers Portugal for the London Express and the Guardian, was treated and released at a hospital in Setubal last night, but had to be readmitted to the British Hospital in Lisbon when he returned to the capital. A hospital spokesman said he was in fair condition.

An official in the Information Ministry, contacted after the incident, shrugged it off. He said setting beaten up was part of the journalism profession.

Rumor of Crisis  
The weekend violence coincided with an apparent governmental crisis, as rumors of imminent shifts in the political power structure abounded throughout Lisbon.

Some Portuguese reacted to the rumors by stocking their cupboards with extra food.

Political sources said, according to United Press International, that the source of the crisis was a serious split between the moderates and radicals within the ruling Armed Forces Movement.

An exact chronicle of the events of Friday night was hard to reconstruct. No official version was available and everyone questioned in Setubal seemed to have his own.

It seemed to be agreed that the trouble began when about 150 leftists invaded a rally of the Popular Democrats, about three (Continued on Page 2, Col. 1).

## II Reportedly Sent Tape Dr. King Party to His Wife

By Nicholas M. Horrock

WASHINGTON, March 9.—The FBI mailed what agents considered an "important" tape recording made from electronic bug to Coretta King, Dr. Martin Luther King Jr.'s wife, yesterday, according to a former official of the agency. Mailing of the tape recording, Mrs. King was part of a decade of "harassment" by late civil-rights leader by the bureau, according to several sources.

The surveillance of Dr. King was briefly noted last year in a report by William Saxbe, then attorney general, and FBI Director Clarence Kelley on the bureau's counterintelligence program, or Contingency. The report said that Contingency techniques included (Continued on Page 2, Col. 6)



ON GUARD—Portuguese soldiers and armored cars face protesting crowds in Setubal.

By U.S. Envoy to Cambodia

## Kissinger Said to Bar '74 Peace Bid

By Sydney H. Schanberg

PHNOM PENH, March 9 (NYT).—U.S. Ambassador John Gunther Dean was rebuffed last year when he proposed to Secretary of State Henry Kissinger that an attempt be made to establish contact with a key Cambodian insurgent leader to investigate the possibility of peace negotiations, according to sources in the U.S. Embassy here.

The sources said that Mr. Dean, who was new in Phnom Penh at the time but had already begun pushing for peace initiatives, recommended contact with Khieu Samphan, perhaps the leading figure in the insurgent movement.

Mr. Samphan is a deputy premier, defense minister and commander in chief of the insurgent forces. The U.S. Embassy would not comment on the matter. Mr. Kissinger, who is on a Midwest trip, could not be reached for comment.

At the time of Ambassador Dean's proposal last April, Mr. Samphan was touring Eastern Europe and Africa to rally support for his cause. Ambassador Dean, according to the embassy sources, felt it was a good opportunity for contact. The ambassador was quoted by those familiar with the episode as having said, "Every straw should be grasped."

The announcement was made at a news conference by Philip Habib, assistant secretary of state for East Asian and Pacific affairs, who listed seven efforts since 1972.

Mr. Habib was questioned about the seriousness of these efforts. He insisted they had been sincere and he rejected suggestions, made in news dispatches, that Mr. Kissinger was not enthusiastic about negotiations.

Lossing Situation  
Mr. Kissinger's critics have said that he lacks interest in peace talks because Cambodia is a small, inconsequential country. It is a losing situation for the United States and he does not want to be identified with defeat. It is also said that he does not want to expend the limited leverage he has on Peking in obtaining a Cambodian settlement that would be unsatisfactory for Washington.

President Ford and Mr. Kissinger have been saying that without additional military aid, the Phnom Penh government will fall within weeks, but that with the aid, there is a chance of convincing the insurgents of the wisdom of a compromise settlement.

Ambassador Dean, 49, played a large part in arranging the coalition peace settlement in Laos. When he arrived here, he made the same efforts to lay the groundwork for a possible compromise in Cambodia. But, according to those familiar with his thinking, he has concluded that the best that can be arranged is an orderly turn-over of power to the Cambodian insurgents.

Sithole's Trial Won't Be Public  
SALISBURY, Rhodesia, March 9 (Reuters).—The government today rejected calls for a detained black nationalist leader, the Rev. Ndabaningi Sithole, to be tried in public and said this would involve a very real risk to the lives of some witnesses.

Mr. Sithole, a leading member of Rhodesia's African National Council, was arrested Tuesday on charges of plotting to assassinate political opponents in the black nationalist movement.

The detention has gravely affected progress toward a constitutional conference between the ANC and the government.

Bomb Injures 7 At Gare de l'Est  
PARIS, March 9 (NYT).—A bomb exploded late today in a baggage locker at the Gare de l'Est, one of the main Paris railroad stations, and seven persons were injured, one seriously, police said.

The explosion caused widespread damage in the main hall of the large building, terminal of main-line trains to and from eastern France, Germany and Eastern Europe.

Police closed off the main hall and searched without result for additional bombs.



A SURVIVOR—Moosa Jumma, a Palestinian terrorist, guarded after he was questioned by newsmen in Tel Aviv.

## Assad Remains Adamant

## Kissinger Meets Israelis After Egypt, Syria Talks

By Bernard Gwertzman

JERUSALEM, March 9 (NYT).—Secretary of State Henry Kissinger brought Egypt's ideas on achieving a new agreement on Sinai to Israel's leaders tonight. But Mr. Kissinger apparently failed during a stopover in Damascus to persuade President Hafez al-Assad to drop his opposition to the Egyptian-Israeli negotiations.

Soon after arriving at Tel Aviv's Ben Gurion Airport, Mr. Kissinger drove to Jerusalem and joined Premier Yitzhak Rabin, Foreign Minister Yigal Allon, Defense Minister Shimon Peres and other senior Israeli officials for detailed discussions on the diplomatic situation.

Mr. Kissinger expects in this opening round of his latest "shuttle diplomacy" to receive concrete Israeli counterproposals that he can take back to President Anwar Sadat of Egypt in Aswan on Wednesday, thereby spurring a genuine give-and-take.

The Israeli mood was described by diplomats here as generally optimistic that a second-stage accord on the Sinai will be worked out, following the one reached in January, 1974. But many Israelis are skeptical about the value of such an accord that seems to call on Israel to make significant territorial concessions in return for more intangible pledges and steps to reduce the likelihood of another war.

Sense of Doubt  
Mr. Allon expressed a sense of doubt about Arab intentions when he said in greeting Mr. Kissinger that Israeli leaders were interested in hearing his report on Arab views but "I only hope that what he has to tell us is more constructive and hopeful than what Arab media tell us."

The Israeli press played up the firm statement made last night in Aswan by Mr. Sadat, who flatly rejected a nonbelligerency declaration with Israel. Although Israel still holds to such an informal demand, privately Israeli officials seemed prepared to drop it.

Mr. Kissinger, in his arrival statement, said that he had come "to see if together we can make progress toward peace."

The details of the Egyptian ideas given Mr. Kissinger have not yet been divulged. In fact, because of Egypt's reluctance to appear even to be making any concessions to Israel in return for further territory, the Egyptian press said this morning that Mr. Sadat had made no specific proposals to Mr. Kissinger.

American officials aboard Mr. Kissinger's Air Force jet flying from Aswan to Damascus said "precise ideas" were transmitted to Mr. Kissinger but that they expected the Egyptians to deny them.

Moreover, Mr. Kissinger anticipates that both sides will take the usual firm opening positions, often rejecting out of hand the other's proposals. He is said to be ready to spend as much time as necessary for a breakthrough in this, his 10th visit to the Middle East since November, 1973.

Side Trip  
Mr. Kissinger, who will meet with Israeli leaders again tomorrow morning, will make a 24-hour side trip in the afternoon to Ankara for talks with Turkish officials on the Cyprus problem. He hopes that by the time he returns to Jerusalem Tuesday

night, the Israeli government will have authorized specific proposals for him to take back to the Egyptians.

The chief problem is to find a formula by which Israel withdraws from the Abu Rudeis oil fields and the mountain passes of Mt. Golan and Golan in the Sinai Desert in return for significant Egyptian moves toward peace.

A major factor in Mr. Kis-

singer's current concern is the problem of finding a way of including Syria in the next phase of negotiations. Syria, with close ties to the Palestine Liberation Organization, has been opposing Mr. Sadat's willingness to negotiate with Israel by itself. Mr. Kissinger fears that a concerted Syrian-PLO campaign against Egypt could weaken Mr. Sadat's position. (Continued on Page 2, Col. 3)



ANOTHER MEETING—President Anwar Sadat of Egypt and Secretary of State Henry Kissinger greet each other.

## Kissinger to Fly to Ankara Today for Talks of Cyprus

By Marilyn Berger

DAMASCUS, March 9 (WP).—Secretary of State Henry Kissinger will interrupt his Middle East negotiations briefly tomorrow and fly to Ankara to sound out Turkish leaders on prospects for resuming talks on the Cyprus problem.

During a 24-hour visit, Mr. Kissinger will be trying to establish a new forum for the communal talks that broke down when Turkish Cypriots set up a separate autonomous area in the more than one-third of the island occupied when Turkish troops moved in last July. Mr. Kissinger's view is that at some point there will have to be direct Greek-Turkish talks.

It is the American view that both Greece and Turkey want the talks resumed but a way must be found satisfactory to both of them. It was understood that the talks would be set up in New York or Vienna; there is a preference for moving them out of Nicosia.

At issue at the United Nations is the role that Secretary-General Kurt Waldheim will play in any negotiations.

Mr. Kissinger was understood to be planning to tell Turkish leaders about the results of his talks with Mr. Sadat on Friday in Brussels, which led him to believe that discussions with the Turks would be worthwhile. He will fly to Ankara tomorrow from Israel and return to Jerusalem the next day.

His work in Turkey is complicated by the fact that there is only a caretaker government there, with political parties jockeying for position in the next election. Mr. Kissinger is planning to see Acting Premier Sadi Irmak; President Fahri Koruturk; Bulent Ecevit, head of the Republican People's party; Suleyman Demirel, head of the Justice party; Semih Saner, chief of staff; and Foreign Minister Melik Erenel.

UN Council Deadlocked  
UNITED NATIONS, N.Y., March 9 (AP).—The UN Security Council failed yesterday in a six-hour effort to break a deadlock over how to renew Greek-Turkish political talks.

The council canceled a meeting scheduled for last night and adjourned private consultations until tomorrow.

3 Italian Navy Men Are Jailed as Spies  
PADUA, Italy, March 9 (Reuters).—An Italian Navy officer and two enlisted men were jailed by a military court here yesterday for spying on behalf of Yugoslavia.

The officer, Franco Ferri, 37, was given 5 years and 10 months for spying and 14 months for desertion, while Francesco Zizzo, 28, received 6 months and Lamberto Persi, 33, got 4 months for helping him. A fourth man, Francesco Caschini, 28, was acquitted.

## 2 Caught by Israel Admit Raid Aimed at Snagging Peace Bid

By John M. Goshko

JERUSALEM, March 9 (WP).—Two Arab terrorists captured after the raid on a Tel Aviv seafront hotel Wednesday night admitted last night that the assault was intended to sabotage negotiations for further disengagement of Israeli and Egyptian military forces.

The purpose, they intimated, was to arouse Israeli anger and distrust against Egyptian President Anwar Sadat's government in order to make more difficult Secretary of State Henry Kissinger's renewed effort to mediate between the two governments.

"We were asked to say that we came from Egypt so we could make it less smooth between Israel and Egypt," said Hamid Nadim, 20, who was described by Israeli authorities as commander of the attack against the Savoy Hotel. Eighteen persons—eight civilian hostages, seven terrorists and three Israeli soldiers—died in the shootout.

Israeli officials said the terrorist team, identified as belonging to the Fatah Palestinian guer-

rilla group, was trained in Syria and set out by sea for the Tel Aviv assault from the Lebanese port of Sidon.

This information was obtained from Mr. Nadim and Moosa Jumma, 33, the sole survivor of the group that landed on Tel Aviv beach in a rubber boat. Mr. Nadim was captured aboard the ship from which the landing craft was launched.

Last night Israeli officials allowed the two Palestinians to answer questions from newsmen in Tel Aviv. In addition, two crewmen, described by Israeli authorities as Egyptian sailors from the mother ship but not members of the Fatah terrorist organization, appeared briefly for pictures. They did not answer any questions.

An account and partial transcript of the remarks of Mr. Nadim and Mr. Jumma's was made available. It confirmed that they were members of el-Fatah and that they had been sent on the mission in the hope of provoking Israeli outrage against Egypt.

(Continued on Page 2, Col. 6)



## Writer Held 5 Months Uncharged

## Spanish Intellectuals Protest Jailings

MADRID, March 9 (Reuters).—Playwright Alfonso Sastre, 49, is entering his sixth month in prison here with neither charges lodged against him nor a date fixed for his trial.

His wife, Genoveva Forest, a psychiatrist, is in the women's prison of Yegueras, three miles from the Carabanchel prison

where he is held. She faces a possible death penalty for alleged complicity in the assassination of Premier Luis Carrero Blanco in December, 1973. Mr. Sastre is a well-known writer for television and author of children's books.

The two were among a group of intellectuals arrested in

September when police raided the homes of leftists following a bomb explosion in a restaurant next to police headquarters. The blast killed 11 persons.

Like the assassination of Adm. Carrero Blanco, the explosion was officially blamed on the Basque guerrilla organization ETA. The intellectuals were said to be members of the Communist party which the police say collaborated with the ETA.

The police said they found a hiding place in the Sastre flat used by the bombers, who have not been caught.

Hidouts were also allegedly found in the homes of a journalist, Eliseo Bayo, and Lidia Palaco, a lawyer and women's rights activist, and of actress Mari Paz Ballesteros and her husband, theater director Vicente Sals de la Pena. All are being held. Officially inspired reports in the press linked them to the bomb blast in the restaurant.

In a joint letter, 1,500 intellectuals complained about the press coverage to Premier Carlos Arias Navarro. They said it had distorted the facts and created general hostility against the prisoners which would prejudice their case.

The protest was signed by a wide group, including painter Joan Miró, writer Camilo José Cela, sculptor Eduardo Chillida, publisher Soledad Ortega and actor and director Adolfo Marsillach.

"Moral Lynching" Composer Cristóbal Halperín, who signed the letter, said the press campaign amounted to a "moral lynching."

The letter also protested the existence of special tribunals, such as military courts with jurisdiction over specific cases, the lack of access by defense lawyers to their clients and the long delay between the arrest, the filing of charges and the trial.

The letter asked the Premier to investigate Mr. Sastre's allegations of torture during his preliminary interrogation at police headquarters.

French lawyer and civil rights activist Gisèle Halimi said that in a note smuggled from prison, Mr. Sastre said she had been beaten all over her body, made to eat her own vomit, told wrongly that her husband was dead and sexually assaulted.

Reports of her allegations, published in the foreign press, drew an angry police statement which said they were "totally false and tendentious."

Mrs. Sastre was described by the police as "the leader of the ETA infrastructure in Madrid." Later she was indicted for complicity in murder in connection with the assassination of Adm. Carrero Blanco. The case is likely to be tried by a military court.

The party also presented a new list of 11 political prisoners whose whereabouts are unknown. All the new list were reported arrested or missing since June 1974, after Gen. Gelsel initiated his liberalization campaign.

One person on the list was arrested this year: lawyer Jaime Amorin de Miranda, who has been missing since Feb. 4. The president of the Brazilian Bar Association, José Ribeiro de Castro Filho, charged that Mr. Miranda has been kidnapped and said that this was a violation of the laws guaranteeing the rights of the legal profession.

More than 100 persons have been arrested in Rio de Janeiro alone for political reasons since the November elections, according to Rio de Janeiro's Deputy Lygia, who is one of the leaders in the human rights movement.

## African Nations Ask Parley on Raw Materials

BANGUI, Central African Republic, March 9 (AP).—The French-speaking African nations, meeting here in a summit with France, passed a declaration yesterday asking for world talks on raw materials. But it stopped short of demanding their inclusion in forthcoming oil negotiations.

The resolution said it was necessary to establish a "world economic order based on solidarity between the developing and industrialized nations and a dialogue between producers and consumers of energy and raw materials."

The two-day meeting brought nine heads of state, including French President Valéry Giscard d'Estaing, and four ministerial delegations to this nation.

The Organization of Petroleum Exporting Countries has said the French proposal of oil talks should be expanded to cover trade in all raw materials and aid to the "Third World." The summit declaration said the oil conference was "a positive element permitting such a dialogue."

Preliminary meetings for the oil conference are to be held in Paris April 7.

Pope Receives Trudeau VATICAN CITY, March 9 (AP).—Canadian Prime Minister Pierre Elliott Trudeau met with Pope Paul VI Friday.

## Kissinger Talks to Israelis After Meeting Sadat, Assad

(Continued from Page 1) tion and make it more difficult for him to make compromises that could produce an agreement with Israel.

This concern was accentuated today by Mr. Assad, who met with Kissinger for several hours during his eight-hour stopover in Damascus. In an impromptu news conference at

the presidential palace prior to the start of his discussions with Mr. Kissinger, Mr. Assad said: "If I am going to agree to him that he opposed 'separate, partial agreements.'"

He said in answer to questions from the newsmen accompanying Mr. Kissinger that he would favor further limited agreements like the one Mr. Kissinger is negotiating for now, only if progress could be made on all three "fronts."

Since the Golan Heights and the West Bank of the Jordan River, Israel has shown no interest in another interim accord on the Golan Heights following up on last May's disengagement agreements because the return of any lands now settled by Israelis on the Golan Heights would provoke a political storm here.

Israel says it prefers negotiating a final peace with Syria, but at the same time refuses to advance to meet Syria's insistence on the return of all the Golan Heights. The West Bank issue is regarded as dead for the moment because Israel refuses to negotiate with the PLO, as demanded by the Arab states following last fall's summit conference in Rabat.

Asked about a declaration of nonrecognition, Mr. Assad replied: "If I am going to agree to a declaration of nonrecognition while one Israeli soldier is occupying my land it is an official implication for him to stay. An invitation I am not going to extend."

Meanwhile, in Moscow, the Communist party newspaper, Pravda, today attacked Mr. Kissinger's latest mission as another attempt to break Arab unity, UPI reported.

[Pravda said some Western newspapers were trying to create an atmosphere of "realism" by publishing the "step-by-step" tactics which allegedly lead to a peaceful solution.] But it added that Arab peoples "are not in a hurry to share this propagandistic optimism."

GI Jailed 12 Years For Fatal Accident MANNHEIM, West Germany, March 9 (Reuters).—A U.S. military court yesterday sentenced a 32-year-old soldier to 12 years' hard labor for killing two American teenagers with his car.

Sgt. Robert Curry of Sanford, Fla., was found guilty of killing two 15-year-old girl cyclists whom he knocked down with his car near Heidelberg last Aug. 4. Medical evidence showed he was "totally drunk" at the time the court said.

Three Army psychiatrists said that Curry was in a "chronic depressive condition caused by events in Vietnam."



Body of Cambodian civilian in Phnom Penh after Communist rocket attack on city.

## U.S. Cargo Jets Defy Shells in Phnom Penh

(Continued from Page 1) military aid to Cambodia and \$300 million to South Vietnam.

A police source said the two agents arrested yesterday had been under surveillance for more than two months by authorities around the airfield, who were reluctant to move against them because they were insignia of the headquarters of the Cambodian Army.

Forward Observers The source said the two were forward observers for Khmer Rouge gunners firing out of the "rocket belt" five miles north-west of the airfield. The positions are used for daily shelling of the airfield by rockets and captured U.S. 105-mm howitzers.

Police sources said the two arrested agents had been showing up with a U.S.-made field radio and maps just after an attack.

Military sources said an operation by 2,000 government troops to try to dislodge an estimated 4,000 insurgents in the area around the airfield was making progress despite mines and machinegun fire.

Field reports said clashes continued a few miles north of Phnom Penh, where government forces were said to have pushed the insurgents back a little from positions near one town, but sources said the morale of government soldiers in the region was very low and that most of them complained of a shortage of rice and ammunition.

In the capital, the British Embassy sent a letter to British national advisers telling them of the "last opportunity" to leave, Phnom Penh on a British plane scheduled to arrive Tuesday. The embassy, however, will remain open.

Mansfield, Sparkman Split WASHINGTON, March 9 (AP).—Senate Majority Leader Mike Mansfield, D-Mont., said yesterday that he remained unconvinced that further military assistance to Cambodia will forestall a Communist take-over. But Sen. John Sparkman, D-Ala., chairman of the Senate Foreign Relations Committee, said he supported the aid.

Another aspect of the station's importance is that the Persian Gulf area is the source of more than half the world's oil supply as well as the site of a recent arms buildup.

But there is no interest in buying U.S. arms in Bahrain, a group of coastal islands totaling only 231 square miles, the foreign minister said.

"We have little income and we are concentrating on the economic side instead of the defense side," he said. "Maybe that will make us unique in the area."

All told, the U.S. Navy force is said by Western sources to number about 475 military personnel, including 340 officers and men who man the flagship, and 50 on the admiral's staff.

But the statements made by the minister, Sheikh Mohammed Bin al-Khalifa, indicated that the outlook for the controversial installation was cloudier than it has been depicted in Washington.

Pentagon sources reported last October that Bahrain, under discreet American and Iranian pressure, had decided to let the Navy retain its 10-acre compound, pier space and limited airport facilities here—although when Arab anti-Americanism flared during the 1973 Middle East war, it was the Navy would have to pull out.

Modest Size The installation's location gives it a significance out of proportion to its modest size. For one thing, it is the only known U.S. naval station between the Mediterranean and Diego Garcia, an atoll south of India, where the Navy has communications facilities.

Accordingly, it has been criticized by some Arabs in Bahrain, Kuwait and elsewhere who are sensitive to any U.S. military presence on or near Arab soil, although the Pentagon contends that the force's mission is largely to promote goodwill between the United States and the Arab states of the region.

It has been reported in Washington that the force has important electronic equipment which monitors military traffic throughout the area. But the force's commander, Rear Adm. Thomas Joseph Bigley, said that his 50-foot flagship had "a commander's communication capability to send and receive radio messages in support of operations conducted by the commander and the flagship."

The force's Bahraini onshore communications facilities, he said, "are there to send and receive radio messages to support the commander when he is ashore in Bahrain" and also to keep track of some merchant shipping in the area.

Another source, attached to the bureau at that time, said that he believed the recording was of a party held by Dr. King and

## U.S. Bahrain Base Is Subject To 'Attitude' Toward Arabs

By Eric Pace MANAMA, Bahrain, March 9 (NYT).—The United States has agreed to a rise in the rent it pays for the U.S. Navy facilities in this Persian Gulf sheikhdom.

Bahrain's foreign minister said Friday, but he said their future was nonetheless still "under discussion" and would depend on the Ford administration's attitude toward the Arab "cause" in the Middle East.

Western and Arab sources said that the United States, which has been expanding its military role in the oil-rich gulf area, had accepted a sixfold increase in its payments to Bahrain for providing the "home" port of the Navy's Middle East force. It consists of two destroyers, two aircraft and a 500-foot command vessel armed with three-inch guns.

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## Stalemates in Field, at Talks

## Guerrilla War in Philippines Grinds On Into Its Third Year

By Joseph Lelyveld

COTABATO, the Philippines, March 9 (NYT).—Two years after their first coordinated attacks on government outposts in the southern Philippines, the martial-law government of President Ferdinand Marcos finds itself mired in a nasty guerrilla struggle in which the chances of either a negotiated settlement or a military solution seem slight.

When the fighting broke out, the government was in a position to put only seven combat battalions into the field—no more than 3,500 troops. Since then, the insurgents have killed at least half that many government soldiers. When the wounded on the government side are taken into account, it becomes apparent that the number of casualties the insurgents have inflicted is at least twice the size of the force they originally faced.

Even after a fivefold increase in combat strength, government forces are now thinly stretched over the troubled area of western Mindanao and the Sulu Archipelago, where the total rebel strength is officially estimated at 18,000 men. Unofficial estimates put the rebel force as high as 20,000.

The government forces, made up mostly of new recruits, are uneven at best. At worst, they are notorious for their poor leadership and military discipline and are regularly humiliated by the rebels, who are usually their equals in arms as a result of support from Libya and other Arab sources.

Accused of Treachery President Marcos, while rallying voters before a referendum on martial law last month, described these humiliations in order to underscore the "treachery" of the rebels. The acknowledgment was unusual because until recently the government has systematically suppressed bad news from the south.

The number of Moslems in the Philippines is said to be 2 million to 3 million—not much more than 5 per cent of a total population of 42 million that is about 85 per cent Christian. Yet, until the end of World War II, Moslems were a majority in most parts of Mindanao and the lands of the Sulu Sea.

By the end of the 1950s, Christians were in a majority in all of Mindanao except a few of its western provinces. By the end of the 1960s, they were united enough to start maneuvering for political power with backing support from political factions in Manila, including the Nationalista party of Mr. Marcos. As elsewhere in the Philippines before martial law was proclaimed, some of this maneuvering was conducted with guns.

Martial law seemed to foreclose the Moslem claim on local power. It also produced a decree in which all Filipinos were ordered to surrender their firearms. The Moslems refused, and, within six months, the declaration of martial law, their resistance had taken the form of outright rebellion.

Strafing Near Town Once a thriving coastal port for rice, coconut and timber shipments from the rich interior of Mindanao—the second largest island in the archipelago—Cotabato is now an encampment for refugees from the countryside and a variety of regular army troops, irregulars and armed rebels who wander the streets with their automatic rifles. The townspeople have grown accustomed to the sight of Sabre Jets streaking low over palm trees to strafe suspected rebel positions on the town's outskirts.

Moslem demands stopped just short of outright secession when they were formally presented by the Moro National Liberation Front, the leading insurgent group, in talks held in Jiddah, Saudi Arabia, in January.

That the talks were held outside of the Philippines was a measure of the front's success in internationalizing the struggle by arousing sympathy for its cause in the Middle East. The Marcos government, fearful that it might face an oil embargo if it adopted an uncompromising stance, reluctantly agreed to meet under the

officials of the Southern Christian Leadership Conference, which Dr. King headed, in the Willard Hotel in Washington in the fall of 1963. The source said the party had been picked up by an FBI electronic bug in the room and put on tape.

Bureau officials, according to sources, felt at the time that the content of the tape was detrimental to Dr. King and some of his associates because it recounted activities at the party they thought did not conform with his position as a religious leader.

Hoover's Aims A source said that Mr. Hoover believed the sending of the tape to Mrs. King would stop Dr. King's criticism of the bureau and break up his marriage as well.

Mrs. King said in a telephone interview that she recalled receiving a tape recording in January, 1965.

"I received a tape that was rather curious, unlabeled," she said. "As a matter of fact, Martin and I listened to the tape and we found much of it uninteresting."

Highly. We concluded there was nothing in the tape to discredit him."

Mrs. King said that she and her husband immediately realized that the tape had been made covertly and "presumed" it had been made by the FBI.

Mr. Murtagh, 53, said the "trick" of sending the tape to Mrs. King to discredit her husband was well known. Atlanta bureau agents in the bureau and some of them bragged about it as a "smart stunt."

According to two former senior FBI officials, a wiretap on Dr. King later picked up a conversation in which the minister told a friend that he was deeply concerned about the pressure being placed upon him.

In another incident of harassment, Mr. Murtagh and a former senior bureau official confided that the FBI tried to disrupt plans for a banquet in Atlanta in 1964 by business leaders in honor of Dr. King's winning the Nobel Prize. It involved covert contacts with community leaders with charges about Dr. King's personal life.

suspects of the Islamic Cause. The front presented demands, calling on the Philippines to recognize the "territorial integrity" of a Moro "homeland" in the southern Philippines. This would include Mindanao, the Sulu Archipelago, plus the islands of Balabac and Palawan. This represents about one-third of the country's total land area and about one-fourth of its population. No more than 25 per cent of the inhabitants of the proposed "homeland" are Moslems.

In addition, the front demanded that the internal sovereignty and political autonomy of the area be recognized with itself as the nucleus of a government. The talks are scheduled to resume in Jiddah in April, but the deadline is almost certain to continue.

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## American Express Travelers Cheques



# Hollywood Figures George Stevens and Ben Blue Die

LANCASTER, Calif., March 9 (AP)—George Stevens, 70, director of "Gunga Din," "A Place in the Sun," "Shane," "Giant" and other film successes, died last night.

Mr. Stevens, born in Oakland, started his career at six as an actor in his father's traveling company. He arrived in Hollywood in 1923 and worked as a cameraman and scriptwriter for Laurel and Hardy comedies produced by Hal Roach.

His first features as a director were also in the comedy line—"The Cohens and the Kellys in Trouble," "Bachelor Bait," "Kentucky Kerneels" and "The Nitwits."

"Alice Adams," starring Katharine Hepburn and Fred MacMurray, was his first important film. Mr. Stevens demonstrated his versatility with the Fred Astaire musicals "Swing Time" and "Damsel in Distress," as well as a comedy with Ginger Rogers, "Vivacious Lady," and the rousing adventure "Gunga Din."

After directing a comedy about crowded wartime Washington, "The More the Merrier," Mr. Stevens entered the Army and served as a lieutenant colonel in the special motion pictures unit, producing documentaries on Nazi concentration camps.

He returned from the war to produce his most successful films: "I Remember Mama," "A Place in the Sun," "Shane," "Giant" and "The Diary of Anne Frank." Mr. Stevens was awarded an Oscar in 1951 for "A Place in the Sun" and in 1956 for "Giant."

After a huge production of the Christ story, "The Greatest Story Ever Told," was not a success in 1965, Mr. Stevens made only one more film, "The Only Game in



Ben Blue

Town," starring Elizabeth Taylor and Warren Beatty in 1969.

Ben Blue

LOS ANGELES, March 9 (NYT)—Ben Blue, 73, the sad-faced comedian of vaudeville, motion pictures, nightclubs and on radio and television, died Friday.

From the time Ben Blue entered show business as a chorus boy, aged 15, in George M. Cohan's musical comedy "Irene," trying out in Montreal where Mr. Blue was born, he was more of a pantomime artist than a talker.

"As a kid," he once said, "I didn't talk very well. It was difficult to understand me because I talked too fast and ran my words into each other. So I had to use my face and body to make people understand what I meant."

He had uncanny timing and a sad face that made people laugh as, playing a simpleton in baggy pants, with straw hat and cane, he ran into one hilarious situation after another.

He changed his name from Ben Bernstein to Ben Blue because, he said, it was easier to fit on a theater marquee.

He appeared in nightclubs, in later years in his own, and in the early 1940s was featured in several Metro-Goldwyn-Mayer films, among them "Panama Hattie," "College Rhythm," "High, Wide and Handsome," "For Me and My Gal" and "Two Sisters From Boston."

Others, later, were "My Wild Irish Rose," "It's a Mad Mad Mad World," "The Russians Are Coming," and "Where Were You When the Lights Went Out?"

With the advent of television he became a regular performer, appearing with Imogene Coca and Sid Caesar, Frank Sinatra, Perry Como and others. He also did a number of half-hour television programs for NBC.

Arthur Sachs

NEW YORK, March 9 (NYT)—Arthur Sachs, 95, a retired Amer-

ican investment banker, art collector and philanthropist, died Thursday in Cannes, where he lived.

Mr. Sachs retired as a senior partner of Goldman, Sachs & Co. more than 40 years ago.

A member of the Harvard class of 1901, he set up an international scholarship fund with a grant of \$250,000 in 1958 to give French students an opportunity to study for a year at Harvard and Radcliffe.

He also set up a foundation for Harvard and Princeton to cooperate jointly in the publication of Art Studies, and he established two fellowships at Harvard for advanced study of the fine arts. In 1980 he gave \$60,000 to underwrite annual fellowships of the Eisenhower Exchange Fellowships Inc.

He also donated to the restoration of Chartres Cathedral and in support of the Louvre, Paris; the National Gallery, Washington; the Fogg Museum, Boston, and the Morgan Library and Museum of Modern Art here.

Herman Pepper

NEW YORK, March 9 (NYT)—Herman Pepper, 77, perhaps the world's greatest theatergoer, died here Thursday at his desk at Playbill magazine.

Mr. Pepper, who had been with Playbill, the theater program magazine, since 1947, had the responsibility of estimating how many copies were needed in each theater each night. To do this he made his rounds on foot each evening, stopping briefly at each theater, making a fast count of the audience, questioning the

head usher and box office personnel, and then moving on.

As a consequence Mr. Pepper probably saw more shows in the last 25 years than anyone else, but there were only two he saw from beginning to end—"My Fair Lady" and "Fiddler on the Roof."

Francine Larrimore

NEW YORK, March 9 (NYT)—Francine Larrimore, 77, a noted actress of the first half of the century, died here Friday.

Joseph Guillemot

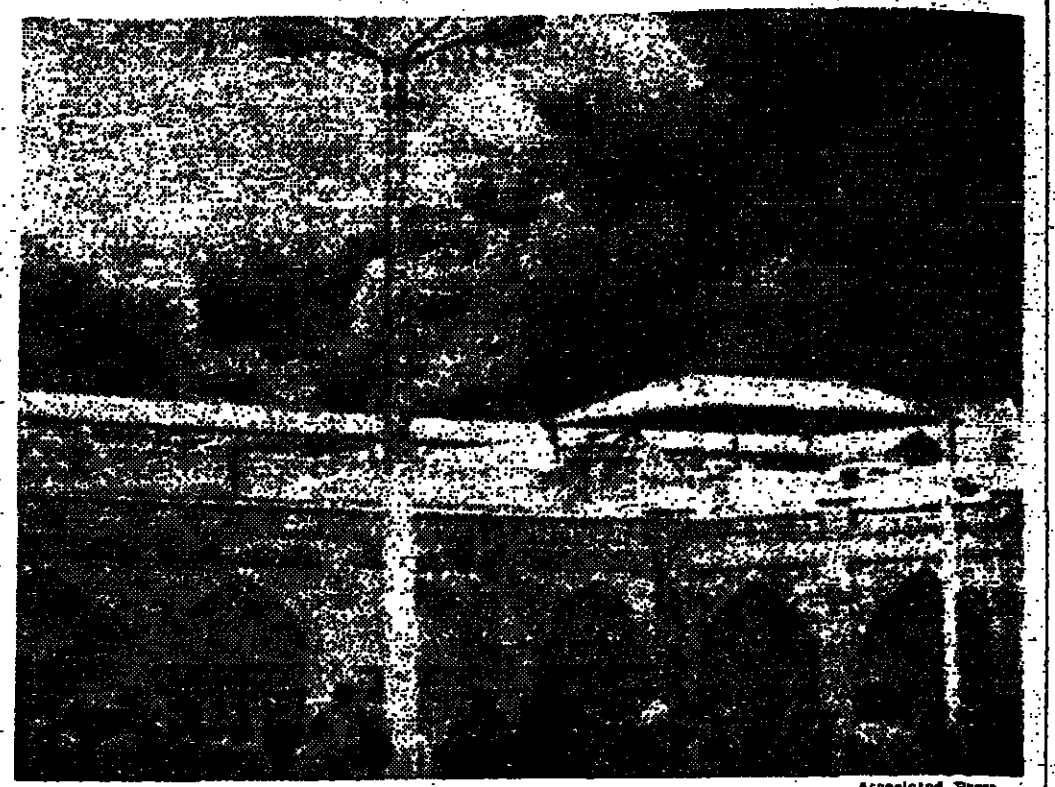
ORADOUR-ST. GENEST, France, March 9 (AP)—Joseph Guillemot, 78, one of only six Frenchmen to have won a track and field Olympic gold medal, died at his home here today. Mr. Guillemot won the 5,000-meters at the Antwerp Olympics in 1920, beating Finland's famed Paavo Nurmi. Mr. Nurmi later took his revenge in winning the 10,000 meters ahead of Mr. Guillemot.

Joseph Bech

LUXEMBOURG, March 9 (AP)—Joseph Bech, 88, former Luxembourg premier and foreign minister and a signatory of the 1957 Rome treaty setting up the Common Market, died yesterday. Mr. Bech held a record as Luxembourg foreign minister for 33 years, from 1926 to 1959.

H. H. Ahmed

RAWALPINDI, Pakistan, March 9 (Reuters)—Pakistan's naval chief of staff, Adm. H.H. Ahmed, 49, died of a heart attack here today. Adm. Ahmed became naval chief in December, 1971.



GOING UP IN SMOKE—Fire destroyed a large part of the bazaar in Tehran on Saturday. At least six persons were reported to have been killed, with dozens hurt.

## CIA 'Line' to Kennedy Murder Investigated

By John M. Crewdson

WASHINGTON, March 9 (NYT)—The Rockefeller commission on the Central Intelligence Agency is looking into allegations that the CIA was somehow involved in the assassination of President John Kennedy in 1963, according to informed sources close to its investigation.

One focus of the commission's inquiry, the sources said, is the recent assertion of a group headed by Dick Gregory, a comedian and civil-rights activist, that Howard Hunt Jr. was seized by the Dallas police near the assassination site within minutes of the shooting.

Hunt, convicted two years ago of conspiring to carry out the Watergate bugging plot, was a clandestine political officer for the CIA at the time Kennedy was murdered.

The Gregory group's charge is founded on photographs published last year in underground newspapers and elsewhere purporting to show Hunt and Frank Sturgis, another of the convicted Watergate burglars, being led by the police away from a grassy knoll across from the Texas School Book Depository building, from where the shots were fired by Lee Harvey Oswald.

Hunt, in testimony before the Rockefeller commission, reportedly denied that he was in Dallas at the time of the assassination or that he knew Sturgis then. Sturgis reportedly was employed by the CIA as an operative in the Miami area around the time of the agency-inspired Bay of Pigs invasion of Cuba in 1961.

Commission's Policy

David Belin, the executive director of the panel headed by Vice-President Rockefeller, declined Friday to comment on specific areas of the commission's inquiry or on any tentative conclusions it might have reached. The commission has decided, he said, to release its findings about the nature and scope of the CIA's domestic activities only after its investigation has been completed.

Mr. Belin, an Iowa lawyer who served as a counsel to the Warren commission, which investigated the Kennedy murder, said that although it was not his intention to "reopen" the entire investigation of the assassination, the allegation has been made that the CIA, and particularly Hunt, was in Dallas on 22 November, 1963.

After leaving the Warren commission, Mr. Belin wrote a book analyzing its work entitled "You Are the Jury," supporting the conclusion that Oswald was the lone killer of both Kennedy and J.D. Tippit, a Dallas police officer slain outside a movie theater shortly after the assassination.

Asked for a personal assessment of any evidence gathered by the Rockefeller commission bearing on a possible CIA role in the assassination, Mr. Belin replied:

"Thus far, I have found no hard evidence whatsoever to indicate that there was any person involved in the assassination of John F. Kennedy other than Lee Harvey Oswald."

Hunt, who is preparing to return to prison following the failure of an appeal to overturn his conviction, reportedly testified in a closed session with Rockefeller commission investigators on Wednesday.

Mr. Gregory met with commission investigators earlier, according to sources, and outlined

the assertion that centers on the photographs.

Hunt reportedly told the commission staff that he was at home in the Washington, D.C., area on the day of the Kennedy assassination, had dined that evening with his family and supplied the names of witnesses who could attest his whereabouts.

The sources said that Hunt also gave the investigators a statement in which he maintained that he had never visited Dallas until 1971 and had never met Sturgis until the year

after that. Hunt also reported, denied a report, which has later gained some currency among amateur assassination investigators, that he met Oswald in Mexico City in 1963 while serving as chief of the CIA station there.

The Warren commission inquiry established that Oswald visited Mexico City on Sept. 27, 1963, less than two months before the Kennedy assassination, when he requested permission to visit Cuba from the Castro government's embassy there.

## British Girl, 17, Found Dead 54 Days After Her Abduction

From Wire Dispatches

LONDON, March 9.—One of Britain's biggest manhunt was launched yesterday for the kidnapper of Lesley Whittle, 17, whose body was found in a 60-foot-deep drainage shaft, 54 days after she was abducted.

Miss Whittle's nude, partly decomposed body was discovered Friday night at the bottom of an access shaft leading to a maze of underground tunnels and water canals which serve as a drainage system under Kidsgrove's Bathpool Park in central England.

Comdr. John Morrison of Scotland Yard's murder squad said an autopsy showed that Miss Whittle had died from "vaginal inhibition as a result of hanging."

Asked whether this meant she had died from "shock or fear," Comdr. Morrison replied, "You have the right idea."

The vagal nerve runs from the brain to the heart and lungs, and stimulation of it results in the

heart's slowing down, sometimes causing cardiac arrest.

Miss Whittle, who inherited \$2,000 (almost \$300,000) on the death of her father, a bus company owner, five years ago, was abducted from her home in Highley, Shropshire, on Jan. 14. The following day, her family received a ransom demand for \$20,000.

The body was identified by Miss Whittle's brother, Ronald, last night. Ronald had tried to make contact with the kidnapper and deliver the ransom, but failed.

Comdr. Morrison said doctors had not yet fixed the date of Miss Whittle's death, but it was believed to have occurred within days after her kidnapping.

He said the body had a wire attached to the neck. The other end was attached to a rung of a ladder in the shaft.

Police have said that they believed the kidnapper was a man dubbed the Black Panther by newspapers because of the black hair and swarthy looks described by witnesses. The man is wanted by police for the murder of three postmasters and for 15 post office holdups. Police have described him as the most dangerous man in England.

Mystery Call

Today, the Sunday Express said its Manchester office received two phone calls yesterday from a man who hinted that he was the Black Panther.

"Listen and listen carefully," the newspaper quoted the man. "I did not kill the Whittle girl. The caller admitted responsibility for the shooting of a postmaster."

Comdr. Morrison said police were checking whether the caller was the Black Panther. "We cannot dismiss anything," he said. Miss Whittle was a mathematic and geography student at a technical college near her home.

## Cigarette Use Grows in U.S.

WASHINGTON, March 9 (Reuters)—Americans last year smoked an all-time record of 60.3 billion cigarettes, up about 3 percent from 1973, the Federal Trade Commission said today.

The agency's annual report to Congress asked it to amend the required warning on each pack as to: "Cigarette smoking is dangerous to health and may cause death from cancer, coronary heart disease, chronic bronchitis, pulmonary emphysema and other diseases."

At present, buyers are simply told: "The surgeon general has determined that cigarette smoking is dangerous to your health."

## Guilty Plea in Death Of U.S. Diplomat

SAN DIEGO, March 9 (AP)—Bobby Joe Keese, a self-styled soldier of fortune, pleaded guilty Friday to conspiring to kidnap a U.S. diplomat in Mexico. Keese and his partner, a former Vietnam war prisoner, were dropped, a prosecutor said.

Keese, 40, was being tried in connection with the kidnapping of John Patterson, U.S. consul at Hermosillo, Mexico, whose body was found July 2 in a dry creek bed eight miles south of Hermosillo.

Attempts by Mr. Patterson's wife to comply with ransom demands fell through, and the \$250,000 sought in a letter was never paid.

## Standardizing Names

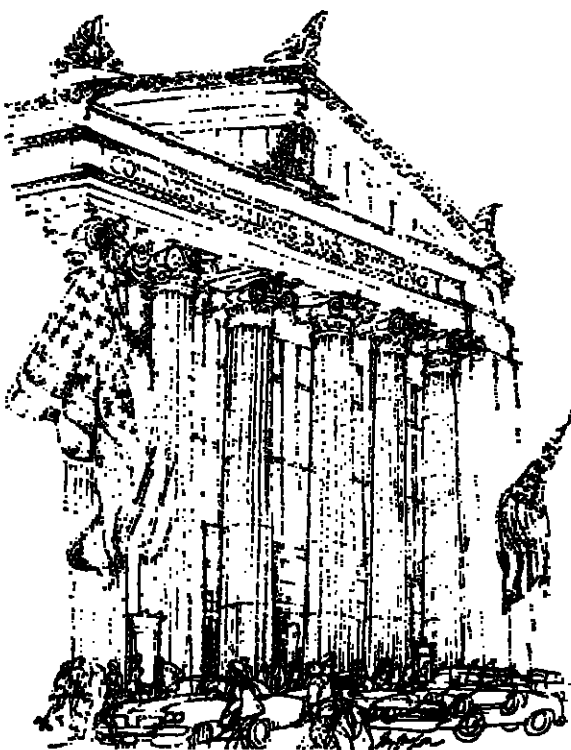
UNITED NATIONS, N.Y., March 9 (Reuters)—Forty-two experts from 24 countries have begun a new attempt here to standardize geographic names on earth and decide on names for the features of the moon.

## Purse-Snatching Up 74% in Italy

ROME, March 9 (Reuters)—Handbag snatchers and robbers enjoyed a boom in Italy last year, according to the National Statistics Institute.

The figures for the first half of 1974 alone showed robberies went up by 40 per cent while handbag-snatching rose by 74 per cent.

The institute's computers worked out that there is a handbag theft every 37 minutes, a pickpocket or shoplifting crime every 33 minutes, and a black-mail every six hours and 23 minutes.



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مكتبة الأصيل



## Unesco: Programs Now in Search of Funds

By Jane M. Friedman

He is the second of two articles. PARIS, March 9 (UPI).—The 12 months since he was elected director-general of the United Nations Educational, Scientific and Cultural Organization have not been ones for Amadou Mahtar M'Bow, but not in a way expected.

When the Senegalese addressed the Unesco general conference in November, he expressed dismay with the slowness and idleness of the organization's bureaucracy and he promised changes. His goal, he has said, "is a humanization of staff relations and the advent of true collaboration at all levels."

Mr. M'Bow has further pledged to consolidate the budget, streamline Unesco's activities and reform the organization into a generator of ideas.

But first he has to find the way to "conflict" operations. Some of the controversial vote to "exclude Israel from regional participation" in the organization is strapped for funds.

### Bookkeeping Trouble

The troubles are partly a matter of bookkeeping. The Unesco 1974-1975 budget period began Jan. 1 but, as in past years, many entries do not begin to pay or assessments until late in the year. Programs have always been run on their own money in spite of the lack of funds on hand.

This year, however, the largest contributor, the United States, is not expected to pay. Congress has voted to withhold the U.S. share of \$40 million—about a quarter of the current Unesco two-year budget—until "concrete steps" are taken to "correct" the vote to exclude Israel.

The United States usually pays dues in July, officials here said, so the funds will not be used until the summer. But, as some officials said, the possibility of any "corrective" action before 1976 is slim and Unesco has begun to accept the fact that alternate funding must be found.

Mr. M'Bow has taken to the road for donations and interest loans. He has visited Saudi Arabia, Algeria, Lebanon, Tunisia and Japan—among his announced trips—and the results have been encouraging to some officials.

### Arab Offer Reported

In December, for example, the Arab newspaper Al Anwar reported that oil ministers of the members of the Organization of Arab Petroleum Exporting Countries had voted unanimously to contribute \$10 million to Unesco to compensate for any U.S. back.

If true, there has been no confirmation—this would not balance the loss of the U.S. contribution and the token per cent dues reductions by France, Switzerland and Denmark to protest the vote. But the problem is more than money, officials here said, referring to the French reduction of \$800,000 and the Swiss reduction of \$126,000. A Unesco official said: "These are stable not unbreakable. The problem is the American action and not because of the funds withheld. It would be very hard if the United States did not make the sense felt in Unesco circles."

Privately, Unesco officials are also about the reaction toward the organization. "There is no fictional thing as 'Unesco,'" an official said. "The decision was on by the member states."

That these member states voted in two votes, one to exclude Israel from all Unesco activities and to exclude it from the regional group, making it the only country without regional representation, the first resolution adopted, 20 by a vote of 64 to 27, a 26 abstentions, condemned Israel on charges of having "used for seven years Unesco funds to finance archaeological excavations in the occupied Old City of Jerusalem. The second resolution was adopted Nov. 21, a vote of 48 to 33, with 31 abstentions. In both cases, the lobby included Arab, African, Communist countries and the "city" included the United States and many West European countries.

### Israel Angered

Israel itself reacted angrily to a vote. "I suppose that the majority could carry a motion that the earth is flat," the chief delegate said. Other officials pointed out that Israel had paid \$35,000 annually in dues while paying \$250,000 in fees.

The issue of the Old City excavations began in 1968 when the second general conference called Israel to halt operations, saying that they might damage Islamic and Christian monuments. The Unesco resolution was based on the Hague Convention and a Unesco recommendation of 1956 urging other states to refrain from excavations in occupied territory. Their defense, Israeli officials said, that their country, while not doing the archaeological operations, cooperated fully with Unesco in other ways, including times welcoming investigations by a Unesco expert, Raymond Lemaire. His reports, while sometimes critical, generally did not lead to Unesco action.

The \$30,000 question, said Raymond Lemaire, a British and Unesco assistant director-general, was more responsible for Israeli action, the secretary of the organization.



Amadou Mahtar M'Bow

or the member nations." In other words, the vote was politically motivated by the Arab countries as a means of isolating Israel.

Officials imply that the member states bear more responsibility for the vote than does the secretary. Although the last Lemaire report remains secret, Mr. Lemaire says it shows that Islamic monuments in Jerusalem are not being harmed.

### Israel Also Blamed

Other Unesco officials agree with this judgment that the vote was basically political. "The move didn't concern the safety of the monuments," said a source close to Unesco. "It was a question of sovereignty. The Arabs were using these documents to protest continued occupation of Jerusalem."

Some of these same officials also blame Israel for losing the vote. "Israel just didn't do its homework," he said. "It was going to be cast and seek to change any, a Unesco observer asserted."

On the other hand, the countries that voted against Israel apparently did not anticipate the reaction. "We told them what the reaction would be," a Western diplomat said, "but they didn't believe us."

The Unesco director-general's office has tried to play down the importance of the vote, saying that Israel will still have a role in the organization and noting that it remains a member—although all contacts have been broken. But individual employees of the organization's secretariat are privately despondent. As an employee, who is Jewish, noted, "Many of the Arab secretariat people were more upset about the vote than I was."

The professionals are also bitter that anger about the vote is directed at Unesco programs. "It's very hard for us," says Mrs. Marie-Pierre Herzog, a Frenchwoman who is Unesco's human rights coordinator. "The matter wasn't really in our hands. It's deplorable that Unesco was brought to public attention because of the Middle East issue. We're doing so much."

Some projects have already been set back by the reduction in funds and consequent austerity measures. One such project is the campaign to save Mohenjodaro, Bronze Age ruins in Pakistan, for which the United States was scheduled to donate \$3 million, now frozen.

### 'Everybody's Stepping on Us'

While this has provoked bitterness at Unesco headquarters—"Everybody's stepping on us," a professional worker said—it has also forced some officials into rethinking their roles.

A high secretariat source explained: "A certain number of key secretariat personnel have begun to define among themselves what the role of an international secretariat is, whether it is purely to serve the member states or the ideals of the constitution as well. It's certainly our role to implement the resolution, but there's a degree of interpretation."

Officials seem eager to use in-

### Bank Holdup Near Paris

PARIS, March 9 (UPI).—An armed robber held up the Société Générale de Banque in suburban Bois-Colombes Friday and escaped with \$40,000, France (\$9,530) after locking three employees in a room containing safe-deposit boxes, police said.

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Mrs. Herzog, the rights coordinator, "he knows the price of things."

A Western ambassador to Unesco appraised Mr. M'Bow as a "conservative" and "friendly to the United States." Another source gave him what passes for ultimate praise at Unesco: "He's no bureaucrat."

The new director-general has shown his awareness of criticism of the organization's bureaucracy. He has, for example, commissioned an efficiency study to be ready this summer to recommend how the bureaucracy can be improved. As part of his pledge to decentralize the organization, he hopes to place more control in the field by strengthening the decision-making powers of regional offices.

He has also said that he wants to set up an evaluation system to rate Unesco projects for effectiveness and to consolidate the budget so that about a dozen main projects can be discerned among thousands of seemingly disconnected ones.

Mr. M'Bow has also indicated that he hopes to take Unesco out of international politics. In a passage in his speech to the general conference last fall that perhaps points to a way out of "the present turmoil," he said: "We must avoid those conflicts that take on the character of systematic confrontations. We should perhaps avoid even the adoption of resolutions, no matter how strong the majority behind them, that leave profound bitterness among some of us. I want to launch an urgent appeal for tolerance and understanding and seek consensus through dialogue."

Meanwhile, he continues to travel in search of money. Interpretation. In a significant gesture, Unesco sent Israel a \$3,000 contribution for the International Pen Congress of writers in Jerusalem this year.

The results of the gesture, however, were not what Unesco officials had hoped: some of the Pen members publicly condemned Unesco for its vote, and Israel returned the money. "We don't want to return via the back door," a well-placed Israeli said.

Nevertheless, the front door seems to be closed until at least 1976, when the general conference meets again. Unesco officials see only one chance of reconciliation before that, in May when the organization's executive board meets.

"The executive board cannot overrule the vote," an official has said, "but since the effect is mainly symbolic, it could be that a measure of mostly symbolic import would satisfy the United States and Israel. Along these lines, a high Unesco official recently indicated that the organization might send yet another commission to examine the Jerusalem excavations, presumably to support the Israeli position."

### Limited Vote Suggested

Or, sources have said, the executive board could recommend that the general conference change its rules so that regional representation can be voted on only by members of that region; this would limit the vote on Israel to European countries, not the Arab bloc.

Further, the executive board could invite Israel to a European regional meeting, although none is scheduled now. Any of these three possibilities, officials here believe, might qualify as the "concrete steps" needed to unblock the funds barred by the U.S. Congress. But these possibilities must be accepted by Israel as well and because of hurt feelings and protocol problems few seem to believe in such a reconciliation soon. Sources close to the U.S. delegation here expect that in July the U.S. contribution will end.

As a high Unesco official said: "More and more people are saying, 'Maybe we can't patch this up so fast.' It's going to take a while."

Amid the gloom, the elevation of Mr. M'Bow to the post of director-general has generally been applauded. The first member of the Third World to head Unesco, he succeeded René Maheu of France after serving as the organization's assistant director-general of education.

Mr. M'Bow was born 53 years ago in Dakar, struggled for an education in Senegal and eventually studied at the Sorbonne. Returning to his country, he became a teacher and finally the minister of education. "He climbed up the pyramid," said

## Proposals Go to Pope

## Jesuits Report Some Success In Talks on Order's Reform

By Paul Hofmann

ROME, March 9 (UPI).—The highest governing body of the Society of Jesus, the General Congregation, ended a three-month session here Friday, completing a reform program that fell short of what a majority of its participants had wanted.

Jesuits and other churchmen said nevertheless that the protracted self-examination of the largest and strongest religious order in the Roman Catholic Church had been successful to a degree. They pointed out that a threatening split between conservatives and liberals in the order had been avoided and that consensus on many problems had been reached.

A spokesman for the General Congregation, the Rev. Donald Campion of New York, stated that this outcome had "undoubtedly strengthened" the leadership of the order's general superior, the Very Rev. Pedro Arrupe.

The extent of the proposed changes in the Society of Jesus will be known only when Pope Paul VI approves a set of documents that the General Congregation adopted and authorized their publication. The Pontiff requested last month that all texts be sent to him for "consideration" before public disclosure.

Father Arrupe, the 66-year-old Spaniard of Basque background who has headed the Jesuit order for nearly 10 years, formally reported to Pope Paul on the conclusion of the General Congregation in an audience Friday.

The Pontiff declared himself confident that the results of the

session would be beneficial to the Society of Jesus, to other religious orders and to the entire church. He also stressed the special relationship between the Jesuits and the papacy.

The General Congregation consists of more than 300 delegates from all parts of the world, representing the order's 29,800 members. Membership has decreased by more than 6,000 priests and brothers during the last 10 years, reflecting frustrations in the order and in the church in general.

The Society of Jesus convened the General Congregation, the 33d in its 425-year history, at the beginning of December, to discuss reforms in its structures and activities to overcome the present crises.

Jesuit communities in many countries had submitted more than 1,000 proposals for change.

Major texts adopted by the General Congregation concern the "Jesuit identity," representing a kind of basic charter for the order; "evangelization and justice," dealing with social and political problems confronting Jesuits in the world; "poverty," updating the order's rules; "formation," on the training of Jesuits; and "union of souls," on ways of dealing with tensions and dissent in the order.

Pope Paul vetoed a reform proposal that the Jesuit body had endorsed by a majority of roughly two thirds of delegates.

At issue was the so-called fourth vow, an oath of special fealty to the Pope that certain Jesuits are allowed to take in



The Very Rev. Pedro Arrupe

addition to the commitments of obedience, poverty and chastity assumed by all members of religious order.

Fewer than half of all present members of the order have taken the special oath. They form an elite, based on particular scholarship and personal accomplishment, and carry out most of the important functions in the Society of Jesus.

Liberal Jesuits have for some time been pressing for doing away with this privileged position by admitting all members of the order to the final vow. The General Congregation adopted the liberals' view.

The Pope contended that the change was contrary to the intentions of the order's founder, St. Ignatius Loyola.

The General Congregation bowed to the papal veto. However, as a Jesuit spokesman put it Friday, "We have made our point."

## Leaders of EEC To Meet in Dublin On U.K. Demands

BRUSSELS, March 9 (UPI).—Leaders of the nine European Economic Community nations will meet in Dublin tomorrow to decide whether to give Britain the price it demands for staying in the bloc.

"We assume this question will be decided in Dublin," a West German government source said. Common Market officials here said that they were optimistic. But British sources said they feared a last-minute battle with France.

The key question is whether Britain will be allowed to reduce its contributions to the Common Market budget if its economic situation remains as bad as it is now.

British Prime Minister Harold Wilson has said that if he gets a satisfactory deal, he will recommend a "yes" vote in the British referendum, scheduled for June, on whether Britain should stay in the Common Market.

An added issue—whether the Common Market will guarantee continued access to British markets for New Zealand dairy exports—has arisen in recent weeks.

## Dutch NATO Troops Ask 100 Days' Leave

BREMEN, West Germany, March 9 (UPI).—About 500 Dutch soldiers, all in civilian clothes, today paraded through the city center, demanding 100 days' leave a year.

The soldiers, who are stationed outside the city, want equality with "our friends in the Netherlands" who already are granted 100 days a year. Dutch soldiers stationed in Germany get only 65 days.

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## The Conservative Upsurge

There was little reason for surprise when Ronald Reagan rejected the appeals of President Ford and Vice-President Rockefeller for a Republican party with a broadened base of popular support. Mr. Reagan has been preaching conservatism for some time, and identifying it with basic Republican principles in the mode of Senators Goldwater and Buckley and the late Sen. Taft.

In terms of practical politics, this creates problems for a party which has won the presidency in only four elections since 1928, losing it most disastrously when it was most clearly defined as "conservative"—notably in 1964. It has had even more difficulty in capturing Capitol Hill. But the conservative upsurge in the United States is a phenomenon that is appearing elsewhere in the world, and it has its wide implications.

When, for example, Margaret Thatcher was named leader of Britain's Conservative party, the importance of that event did not, to a generation that has known Golda Meir and Indira Gandhi, lie in the fact that she was a woman, but that she was a conservative with the small "c" as well as with the large. Her selection followed numerous manifestations of uneasiness among middle-class Britons, as well as of those in higher economic brackets, over the tactics employed by the Labor party and the labor unions to combat Britain's economic difficulties.

The American economic prospects are better than those of the United Kingdom, and the class differences are vaguer. But in roughly comparable economic strata the worries are much the same, and the political reactions very similar.

Both the Conservative party and the Republicans, in their present incarnations, represent compromises with programs established by the opposition—with Attlee's "quiet revolution" in Britain and the Roosevelt New Deal in the United States. Neither of these can be reversed; both contain elements of national governmental power which are anathema to the true conservatives of both countries. At most, however, they can seek to apply the brakes to further developments along these lines. This does not make for clear and convincing rhetoric.

Nor does it offer much prospect of winning majorities in a time of economic distress, when the woes of those who have less than they are accustomed to enjoy seem milder than those of the many who are hanging precariously on the edge of destitution. And this is unfortunate, because it obscures many of the real issues involved, and makes more difficult the task of preserving incentives to production and investment.

If the public danger is presented as either an attack on inflation (as most conservatives believe it should be) or recession (which is the chief target of the left), it is more than probable that the majority would choose to battle recession. An either/or confrontation along these lines could thus jeopardize not only what the conservatives say they stand for, but the economic security of whole nations. There should be a political voice for the conservatives, but experience should make it clear that this can only come within a spectrum that includes moderation. Mrs. Thatcher seems to have recognized this in her selection of a shadow cabinet—Mr. Reagan should profit by her example.

## Time of Trouble

Dreams are the first casualty of a depression. The daydream may be of some idle extravagance such as a color television set instead of black-and-white or a trip to Acapulco instead of the Catskills. Or it may be of something much more substantial, much harder to lay aside, such as a college education or a home of one's own. Or it may be a noble public vision of abolishing slums forever or ending poverty within a decade.

After tomorrow's ambitious projects are postponed further into the future or quietly allowed to die, the next casualties of a severe economic contraction are life's necessities. What is a necessity varies widely from person to person and family to family. But, whatever the sacrifice, an economic depression sooner or later shows itself in the threadbare suit, the skimpy meal, the "For rent" sign in the window.

For middle-aged and older Americans, the current severe recession that shows some signs of turning into a genuine depression is like a return to the nightmare world of the 1930s, the world of their childhood or young adult years, the world they had thought was behind them forever.

By the world's standards, Americans remain incredibly rich. Even the poorest of this nation live better than the hungry poor of Mali and Bangladesh. But individual persons measure their sense of well-being against what they have known in their own experience and by what the society around them seems to offer, not by the unfamiliar standards of distant and alien people. By this realistic criterion, Americans for more

than a year have felt increasingly poor and increasingly apprehensive about the future.

As in the years after 1929, there is a feeling of dull, deepening shock. Then, economic collapse followed the roaring boom of the 1920s and the optimistic prophecies by business and political leaders of a "new era" of unending prosperity. Now, bad times follow 30 years of continuous nearly full employment, punctuated only by brief, relatively mild recessions. The countercyclical policies of government and the confident analyses of Keynesian economists had led virtually everyone to believe that a major depression could not happen again. Perhaps depressions are always surprises.

No two depressions, like no two major wars, are ever identical. There is today an uneasiness, unformulated but real, that perhaps the indispensable economic stabilizers that developed out of the Great Depression, such as unemployment insurance, tax cuts, food stamps and bank deposit insurance, may have to be supplemented by additional, still undeveloped, weapons to fight this downturn. The depression of the 1930s was not accompanied by rising prices or the threat of a worldwide food shortage. Economic issues were not entangled as they are today in environmental concerns. People were not aware then to what extent man-made fertilizers, chemicals and industrial wastes were threatening lives—and life itself. Finally, the American economy is now much more involved in the international economy than it was four decades ago.

THE NEW YORK TIMES.

## People of Hope

In times of economic hardship, Americans characteristically respond in two ways. Politically, their perspective shifts. Radical causes of the left and the right win adherents they ordinarily cannot attract. Demagogues with dark dreams and simple answers gain a hearing they do not deserve. The last depression brought Adolf Hitler to power in Germany and led to a terrible war. Americans, spawning several less fearsome demagogues of their own, pondered Sinclair Lewis's novel, "It Can't Happen Here."

On a personal level Americans respond to economic misery by drawing upon ancestral memories of austere living and self-denial. Notwithstanding the affluence of recent decades, most Americans are not far removed in time from the life of the poor. Their family roots may be in hardscrabble Yankee farmers or African slaves, in pioneers on the sod-house frontier or in European peasants.

Whatever their cultural background, Americans are not strangers to adversity and they are not made of cotton candy. They readily put into practice the harsh folk wisdom expressed in the fable, "Use it up. Wear it out. Make it do. Do without." Despite the misery, the disappointment, the human tragedies of the 1930s, Americans adapted and survived. They continued to fall in love

and make jokes, and some people even made money.

Today, the economists differ, the politicians debate, the economy falters. In these harsh days, while waiting for effective leadership and successful policies to emerge, individual Americans are thrown back upon their own resources of mind and spirit.

They know that their own courage and common sense, their own industriousness and self-respect can see them through any catastrophe save nuclear war. Although private virtues cannot substitute for wise public policies, they know that those virtues are the only guarantor for any policy's success.

And finally they have those dreams. They may be small and innocently foolish, or large and profoundly exciting. Those dreams have propelled America forward in the past and continue to do so today. Some of them may have to be abandoned and others deferred, but their vital force persists. The British philosopher, Alfred North Whitehead, once observed, "vigorous societies harbor a certain extravagance of objectives."

America is such a society. In the wake of war, political scandal, and now economic depression, Americans remain a people of hope.

THE NEW YORK TIMES.

### In the International Edition

Seventy-Five Years Ago

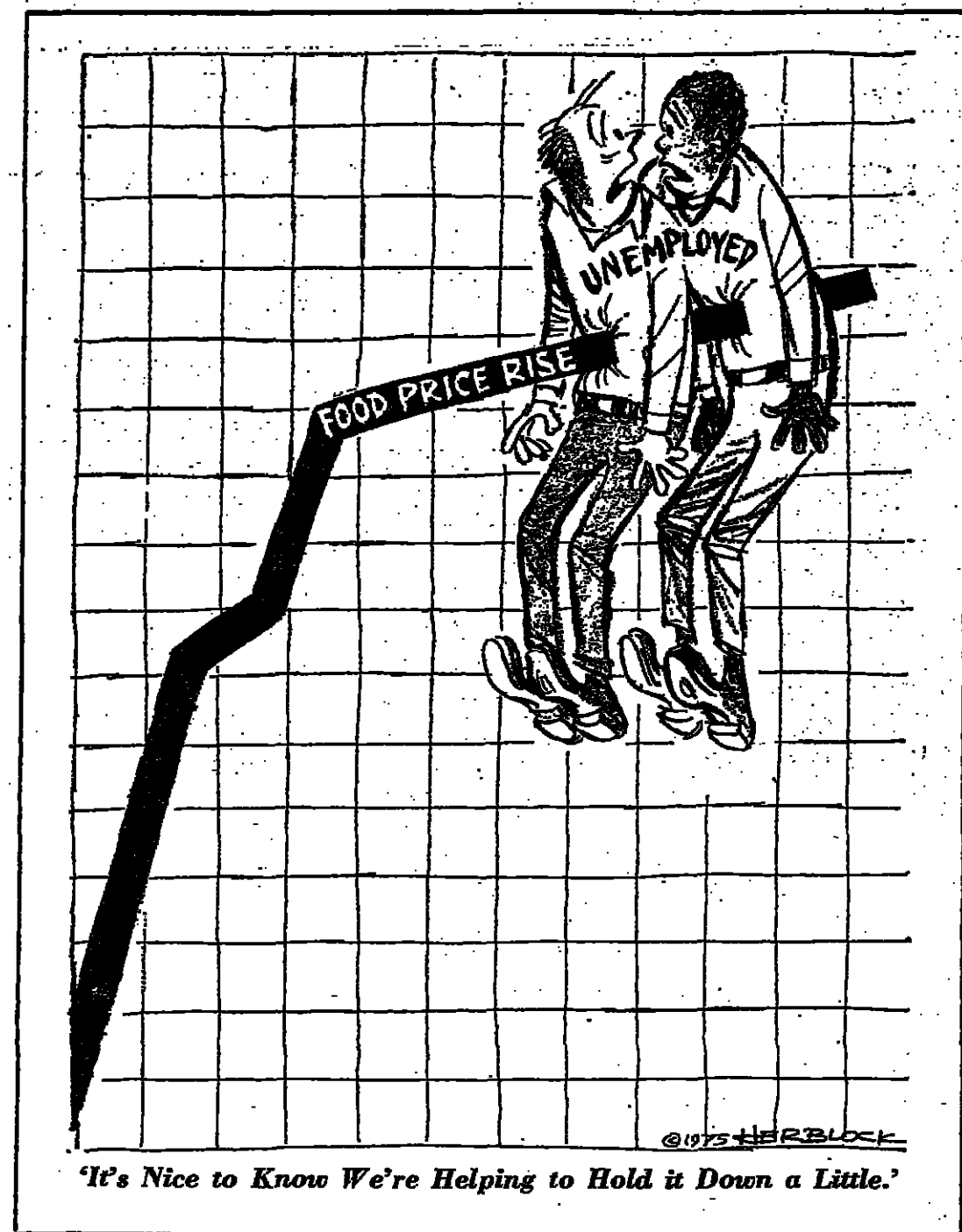
Fifty Years Ago

March 10, 1900

March 19, 1925

PARIS—The reign of the telephone girl, as such, is drawing to a close. A public benefactor with inventive genius has found out a system by which telephone connections can be made automatically, by the person telephoning putting an apparatus in motion, without any intermediary being necessary. The connection, it is said, is then made immediately.

WASHINGTON—A Senate resolution designed to "conserve in the White House the best specimens of early American furniture and furnishings and to maintain the White House interior in keeping with its original design" was adopted by the body in the last days of the session. Appropriate donations will be accepted with the President's approval.



## Nobody's Mad at Jerry

By James Reston

WASHINGTON—Funny thing about President Ford: almost everybody is grumbling these days about something he has done or hasn't done, but nobody's really sore at him. The opposition around here to Rockefeller, Kissinger and Simon is savage and personal, but unlike Nixon, who was blamed for everything, Ford somehow manages to avoid personal blame for anything.

He flies around the country condemning the Congress for loafing on the job, but comes back and plays golf with Tip O'Neill, the Democratic majority leader in the House, and compromises on the side with Speaker Albert and Mike Mansfield on the energy problem.

He accepts spectacular budget deficits, which in another day he used to condemn, and appoints liberals to his cabinet at the Justice, Transportation, Labor, and Housing Departments, but when the Republican conservatives condemn him for his deficits and appointments, he defends his decisions but invites his critics to the White House to have a drink and talk it over.

### Appalling Record

He avoids personal attack because he never attacks his opposition personally. In many ways, his record of dealing with the economy is appalling. First, he was for austerity, more taxes, and whopping big import fees on gas and oil, but second, when even his own party began to feel this was inflationary and almost ridiculous, he switched to tax cuts and accepted the budget deficits.

In short, Ford may have been wrong, but unlike Nixon, he didn't pretend he was always right, and he didn't personalize the struggle, but dealt with the facts, and again, unlike Nixon, kept in touch with his opponents.

There is a serious issue here about President Ford, for on the record, it is not clear whether he has mastered the substance of the economic problem, or whether he is simply relying on the judgment of a staff that differs on whether inflation or recession is the central question. So he swings from one extreme to the other. One day he is the old conservative, budget-balancing Jerry Ford out of Grand Rapids, Mich., and the next he is a Keynesian, supporting budget deficits, struggling to hold together the liberal Democratic majority in the Congress and the aggrieved conservative Republican minority, which used to be his main political support.

He has dealt with this, and on the whole fairly effectively, in human terms. His strategic concept of the economic problem may be defective, but his tactical handling of the political and human problem has been very effective.

Unlike Nixon, he has not pretended that he knew all the answers or that it was important to be consistent. In public, he has been bold and assertive, but in private, he has used the "dumb-boy" technique, admitting he was in trouble and was reaching out to his critics for help.

### Strengths

Paradoxically, the President's weaknesses are his strengths. His personality and character are more important than his intelligence. He has been around here just long enough and is just shrewd enough to know that

nobody else has the answers either.

So he does not shut himself off in the White House, but brings everybody in—the Republican and Democratic leaders, old buddies from his days on Capitol Hill, friends and critics from the newspapers, radio, and television. He has no "enemies list." When his new liberal cabinet appointees were sworn in at the White House the other day, the place was full of prominent Democrats, including Joe Rauh, a Washington lawyer who led the fight against Ford's nomination as vice president.

This sort of thing doesn't bother Ford. He doesn't choose up sides, or worry about the press. John Hersey, the novelist, who wrote a brilliant account of one week in the life of Harry Truman long ago, asked the President the other day whether he could do the same thing with Ford for The New York Times Magazine.

### Accurate View

Sure, the President said. Sit in on anything you like, have dinner with the family, follow me around if you can stand it for a whole week except—and this is interesting—my private conversations on foreign policy with Henry Kissinger.

He seems to see himself accurately as an accidental President, with problems beyond his or anybody else's control, but while he's around, he is making it clear that he will act as best he can, listen to anybody who differs, and at least avoid unnecessary conflict.

It is an appealing approach to an intimidating job. He is just modest enough to know his limitations, but experienced and confident enough to know that probably nobody else around here is equal to it either.

Often he may be wrong, but his strength is that he is honest, and after the last few years in Washington, this is a big change. None of this deals with the basic questions of foreign and economic policy. All this is still

in a state of confusion, and the President not only has no answer to it, but is apparently determined to keep going as he is and to run in 1976.

He is not only confused about the future. He is in some ways stubborn in his confusion, but his personal qualities keep him afloat. Primarily he is an open and amiable man and while few people in Washington feel that he is a leader of the future, still they like him personally, even if they don't know where he's going.

power strength has shifted in the east Mediterranean-Arabian area in the last 12 months, but it is still hard to say whether it is going Washington's or Moscow's way. That will have to be judged by coming events.

Politically, the United States has established mounting influence in Egypt and Saudi Arabia, the countries that count most among relatively conservative Arab nations. To some degree this growth of American prestige is related to Secretary Kissinger's technique of excluding the Russians from the present phase of Arab-Israeli peace negotiations.

But his diplomatic strategy has stimulated a change in the U.S.S.R.'s approach. Knowing it can do nothing with the deeply devout Saudi regime, the Soviet Union is trying to reduce Egypt's importance among the Arabs. It is not just a question of tantalizing President Sadat with hints that Soviet favor will return to Cairo if the Kissinger peace-making techniques do not work. Rather, it is a matter of isolating Egypt, not excluding it from the Arab unity picture (which would be foolishly provocative) but of keeping it on short rations militarily, economically and politically. Meanwhile, for a favored states—Algeria, Libya, Syria and Iraq—are treated

generously in the old Soviet sense of "national liberation movements." The Kremlin, in revamping its policy, is also preparing a second round—encouragement of Arab Communist parties. These have been ignored by the Russians in the recent past, often dismissed as pawns, allowed to face dissolution or jail. Now Communism shows some signs of new vigor in the Middle East: still a discreet minority but stirring more strongly than hitherto in Iraq and Syria, subtly encouraged in Algeria and Libya (despite President Qadhafi's anti-Marxism), and even appearing for the first time in Kuwait.

While this occurs, Sadat is encouraged by hints of prospective increases in Russian arms shipments and economic generosity to recall that an option for a changed policy exists if he ever feels Kissinger has reached a dead end. But, while Moscow occasionally allows the Egyptian a tantalizing peek at the cards in its pocket, it never lays them on the table.

**Sadat in Corner**  
By stressing improved Soviet ties with Libya, Syria and Iraq—all of whom have varying degrees of cool relationships with Egypt—the Kremlin pushes Sadat into a corner. Libya has been hostile to Sadat—which he reciprocates. And the Egyptian President anticipates efforts to create trouble for him by Damascus and faces a row with Yasser Arafat's Palestine Liberation Organization. In each case he suspects Moscow is pulling the strings.

While U.S. diplomacy is active and has hitherto shown some signs of success, the American strategic position—vital in another crunch—has deteriorated. Contradictions have produced a situation where the United States is simultaneously dislodged in Greece,

**Plight of Kurds**  
I notice in the reporting of a hijack of an Iraqi Airlines plane by Kurdish nationalists (HRT, March 3) the use of such names as "rebels" and "bandits." Is this a slip of the editor's pen, or is it a deliberate attempt to downgrade the plight of the brave Kurdish nation against their Iraqi oppressors?

The Palestinians have been recognized as a nation, and the Palestinian problem is in the forefront of everybody's mind. It is now not time to turn the world's attention to the plight of the Kurds, whose cry for justice is all too often stifled by the indifference of a world caring only for fashionable causes?

Dr. P. M. SORGO, Waterloo, Belgium.

AL HIX.

### Soviet Lobotomies

Thank you for publishing the story by Austin Scott (HRT, March 3), concerning Dr. Norman Hirt, an eminent Canadian psychiatrist. Dr. Hirt is rightly incensed about the use of reserpine and other mind-dissolving drugs by the Russians on thousands of dissidents, producing a "chemical lobotomy."

Dr. Hirt testified before the U.S. Senate some three years ago, but that august body of fearless, non-Communist legislators just sat on the evidence, probably with a view toward our relations with the Soviet Union.

### On Energy Program

## Ford's Retreat Forward

By Joseph Kraft

WASHINGTON—President Ford has shown true statesmanship in postponing the application of his energy program for 60 days. During that period the Congress is almost sure to come up with a far better program for both energy and the economy.

In the meantime, the President needs to take a hard look at the man who put him on the spot in the first place. For he ought to replace his present advisers on energy and the economy, most of whom inherited with persons of much higher caliber.

Basically what the President did last week was to retreat forward. The retreat was in the deferral of his own program by 60 days. Forward motion was maintained by vetoing congressional bills which would have postponed Mr. Ford's program by 90 days. He thereby avoided a bitter fight which he might well have lost and fostered a spirit of sweet compromise between the White House and the Congress.

### Best Index

The best index of Mr. Ford's statesmanship lies in his decision to postpone a proposal whereby he would have decontrolled oil prices on April 1. Mr. Ford could easily have gone ahead with oil decontrol because the proposal was not among those that would have been postponed by congressional action.

Since decontrol applied to oil producers, maintaining the provision would have split the Democrats in Congress. Moreover, following through with the measure would have jacked up prices to the point where the Democrats might never have been able to put their own energy programs into effect.

Thus by voluntarily coming off oil decontrol, Mr. Ford relinquished a chance to impose his own ideas on the country while dividing the opposition. He forewarned a possibility his predecessors surely would not have missed, and he deserves great credit.

But with that much said, it has to be asked how Mr. Ford came to put forward legislation sponsored by overwhelming majorities in both houses. Who brought him to the point where his only escape was a retreat forward?

### Chief Villains

Well, the chief villains are Secretary of the Treasury William Simon and Frank Zarb, the Federal Energy Administrator. They are the prime architects of the President's energy program.

That program would have deferred a recovery from what is already the steepest and longest economic downturn since the Great Depression. It would have raised energy costs in a way bound to stimulate inflation. It provided for a huge giveaway to the oil and auto companies, and it probably would not even have achieved the stipulated goal of energy conservation. It was a disaster which positively invited the congressional retreat it received.

There is a reason. Rogers Morton, the Secretary of the Interior. Technically he is the head of the Energy Resources Council, set up to coordinate energy matters inside the administration. In fact, Mr. Morton has allowed himself to become a pure front man. The other day, for example, the Energy Resources Council put out a statement on the highly controversial issue of floor prices to protect new sources of energy against price warfare. The paper stipulated agreement among the Secretary of State, Henry Kissinger, Mr. Simon and Mr. Zarb. Mr. Morton's name was not even on the document put out by the group he is supposed to be leading. And the fact is that for all his estimable, personable qualities, Mr. Morton is too little versed in economic matters to play a lead role.

**White House Man**  
Finally, there is the White House economic coordinator, William Seidman. He is also an attractive person. But he also seems to lack the economic savvy required for centralized staffing of highly intricate matters.

He failed to alert the President to the disastrous economic consequences of the administration's energy program. Moreover, Mr. Seidman seems so determined to assert his own authority that he is squeezing out better men. At least one highly qualified former congressman turned down the role of special trade representative rather than work for Mr. Seidman.

Had conditions been normal, all these men might have been equal to the tasks they were performing. But the economy is balanced dangerously on the knife edge between recession and inflation. Energy combines with economic conditions in complex and convoluted ways. Merely to understand the interplay requires extraordinary intellectual candlepower.

So the President will only work himself back into more trouble if he continues to rely on his present advisers. To maintain the momentum of the retreat forward he needs economic and energy aides equal in caliber to the men and women he has been appointing to the Cabinet.

The United States is trying to avert this strategic imbalance by opening a small base at Masrah Island off the coast of Oman, establishing possible landing rights in that country's southern Peninsula, plus other compensatory moves. The government of the Persian Gulf state of Bahrain has reversed an earlier decision to close a modest U.S. naval command post.

But the Russians, despite Egyptian claims of their huge military mission, still retain naval facilities there. Their Mediterranean-Indian Ocean connection will be improved when the Suez Canal opens. MIG-23s with Soviet pilots fly reconnaissance over Iran and the Persian Gulf from Iraq. Moscow maintains naval bases at Berbera in Somalia as well as the offshore island of Socatra.

The Soviet Union is a northward geographical extension of the Middle East and its heartland is as expansionist as the United States. This gives Moscow additional weight in long-range planning to assert influence.

The fact that the U.S. position has perhaps been exposed by losing its roof in Greece and Turkey is not compensated for in the final analysis by consolidating its position in the Egyptian cellar.

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uromarket
Continuing Drop in Interest Rates
Strengthens Underpinning of Bonds

By Carl Gewirtz
The strength of the SNCF success, another \$40-million French state-guaranteed loan is in the works for the Banque Paribas du Commerce Exterieur. The seven-year loan is expected to carry a coupon of 9 per cent, although this could not be confirmed. SNCF's 8 3/8 of 1981 are currently yielding 9.25 per cent, indicating that a 9-per-cent coupon priced at a discount could be warranted.
A number of dollar issues are rumored to be in the wings waiting to be launched. Among these are the Industrial Bank of Japan, S.A. Financiere Europeenne and Mexico.
Also rumored to be near revival is the Euro French franc market.
DM Sector
The heavy flow of new issues in the deutsche mark sector was beginning to weigh on prices early in the week, but the discount rate cut prompted new demand.
"There is an unspoken relationship between interest rates domestically and those on the Eurobond market," a Frankfurt banker observed. And this means that "we haven't yet seen the bottom" of the present slide in Euro DM rates.
The 8 3/4-per-cent level now appears to be firmly established and the slide in the current downward to carry an 8 1/2-per-cent coupon was marketed through a private placement of 20 million DM for the European Coal and Steel Community last week.
There were two private placements for Austria's Tauernauto-bahn, both carrying coupons of 8 per cent. One loan was for 50 million DM for seven years,

Economic Indicators

WEEKLY COMPARISONS

Table with 4 columns: Item, Feb. 27, Latest Week, Prior Week, 1974. Rows include: Commodity Index, Currency in U.S., Total loans, Steel prod., Auto production, Dairy prod., Freight car loadings, Shipments, Business failures.

Statistics for commercial agricultural loans, carloadings, steel, oil, electric power and business failures are for the preceding week and latest available.

MONTHLY COMPARISONS

Table with 4 columns: Item, Jan., Prior Month, 1974. Rows include: Employed, Unemployed, Ind'l Prod., Personal Income, Money supply, Census price index, Consumer costs, Mfr's inventories, Exports, Imports.

\*000 omitted. Figures subject to revision by source.

Commodity Index, based on 1967=100, the consumer price index, based on 1967=100, and employment figures are compiled by the Bureau of Labor Statistics. Industrial production is compiled by the Department of Commerce. Money supply is reported by Federal Reserve Board. Business failures compiled by Dun & Bradstreet. Shipments by the Department of Commerce. The 10-year bond is sold 60 million guilders worth.

On offer in the Unit of Account market is a 20-million-TJ loan for Indatran Volcan of Finland. The 10-year bond is sold 60 million guilders worth.

The U.S. Economic Scene
Many Discount Present Woe, Look to Future

By Thomas E. Mullaney
NEW YORK, March 9 (NYT).—While the public and the political world are worriedly scanning the periodic economic reports these days, economists and businessmen are beginning to look beyond the current recession to the climate that will prevail in the United States and the world for the rest of this decade.
With business activity still contracting and unemployment still excessively high, it is not surprising that Main Street and Washington are preoccupied with the present state of the economy and concerned about what's ahead in the near term, particularly from the standpoint of jobs.
Quite naturally, their thoughts are on programs that will stimulate employment and hasten the end of the slump.

For their part, businessmen and many private economists are less troubled about the immediate outlook. They foresee the beginning of the end of the recession and are confident that fiscal and monetary policies now in place—or about to be activated—will resuscitate the economy in the latter part of the year without any significant worsening of today's strains.

But they worry whether the American people and the Congress will have the patience to await the evidence that recently adopted or imminent fiscal and monetary measures are working.
There are also some prominent authorities in financial, labor, economic and academic circles who wonder whether the nation will come out of this horrifying economic experience—the worst cyclical downturn in business since before World War II—any more cognizant of the reasons for

the trauma and any more willing to embrace programs that might work to prevent a recurrence of such extensive economic damage.
To be sure, it is difficult to be sanguine about the present state of the economy or the general outlook, when data in the week before last reported unemployment remaining at a rate of 8.2 per cent of the labor force, another 34-year high; when factory orders for January declined for

New York Stock Market

By Alexander R. Hammer

NEW YORK, March 9 (NYT).—The stock market made an impressive advance last week in active trading as investors continued to draw encouragement from declining interest rates and from indications that the inflationary spiral was easing.

Reflecting the upswing, the Dow Jones industrial average ended the week up 21.05 points at 770.10. The strongest performers were the glamour and blue chip stocks as well as some special situation issues, including some hotel and motel issues.

Turnover last week on the New York Stock Exchange continued heavy. Volume on Tuesday soared to 34.14 million shares, the second largest in the exchange's history. The Big Board's record volume was posted on Feb. 13 when 35.16 million shares changed hands.
The market's show of strength began on Monday when the Dow closed up 14.08 points. The gains were attributed mostly to the actions of several banks, including the Chase Manhattan and Mellon National, in trimming their prime interest rates to 8 1/4 per cent from 8 1/2 per cent. Lower interest rates have been mainly responsible for the market's sharp advance this year. On Friday, Mellon National further reduced its prime rate to 8 per cent.

And yet there were reasons as well for a little more optimism as a result of some recent developments. The best news, of course, was the further drop of eight-tenths of 1 per cent in the wholesale price index in February, the third consecutive monthly decline, with the easing of farm and food products the most prominent factor in the downward movement.

Eventually, this decline, combined with the ongoing reduction in auto, clothing and other retail prices, will show up in the consumer price index and help to mitigate some of the public's deep erosion of confidence.

Other Factors

To be sure, it will require more than improvement in the price picture to bring consumer confidence back to levels that would support greater confidence in the economy. But other factors are at work, notably the further declines in the prime and discount rates and the approaching approval by Congress of massive tax reductions and the apparent disposition of the executive and legislative branches of government to reach an agreement on an energy policy that would be less onerous for the nation and less inflationary than the original program proposed by President Ford two months ago. The sooner these crystallize, the better.

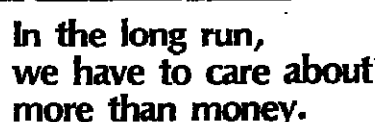
The danger of much further procrastination on the tax-reduction program is that pressure will build up even more stimulative actions via new government spending programs as the economic news continues to show a bleak picture, as it surely will for some months to come.
Stocks have been typical of American economic management. (Continued on Page 11, Col. 2)

Table with multiple columns listing various financial data, including interest rates, bond yields, and market indicators.

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● Head Office: 3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo. Phone 214-1111. ● Branch Offices: London and Los Angeles.  
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Sales to \$1,000 High Low Last Offer				Sales to \$1,000 High Low Last Offer				Sales to \$1,000 High Low Last Offer				Sales to \$1,000 High Low Last Offer			
Bonds				Bonds				Bonds				Bonds			
AMST 17270	104	102 1/2	104	104	Penny 47	15	68	68	68	68	68	68	68	68	68
AMST 17271	104	102 1/2	104	104	Penny 48	15	68	68	68	68	68	68	68	68	68
AMST 17272	104	102 1/2	104	104	Penny 49	15	68	68	68	68	68	68	68	68	68
AMST 17273	104	102 1/2	104	104	Penny 50	15	68	68	68	68	68	68	68	68	68
AMST 17274	104	102 1/2	104	104	Penny 51	15	68	68	68	68	68	68	68	68	68
AMST 17275	104	102 1/2	104	104	Penny 52	15	68	68	68	68	68	68	68	68	68
AMST 17276	104	102 1/2	104	104	Penny 53	15	68	68	68	68	68	68	68	68	68
AMST 17277	104	102 1/2	104	104	Penny 54	15	68	68	68	68	68	68	68	68	68
AMST 17278	104	102 1/2	104	104	Penny 55	15	68	68	68	68	68	68	68	68	68
AMST 17279	104	102 1/2	104	104	Penny 56	15	68	68	68	68	68	68	68	68	68
AMST 17280	104	102 1/2	104	104	Penny 57	15	68	68	68	68	68	68	68	68	68
AMST 17281	104	102 1/2	104	104	Penny 58	15	68	68	68	68	68	68	68	68	68
AMST 17282	104	102 1/2	104	104	Penny 59	15	68	68	68	68	68	68	68	68	68
AMST 17283	104	102 1/2	104	104	Penny 60	15	68	68	68	68	68	68	68	68	68
AMST 17284	104	102 1/2	104	104	Penny 61	15	68	68	68	68	68	68	68	68	68
AMST 17285	104	102 1/2	104	104	Penny 62	15	68	68	68	68	68	68	68	68	68
AMST 17286	104	102 1/2	104	104	Penny 63	15	68	68	68	68	68	68	68	68	68
AMST 17287	104	102 1/2	104	104	Penny 64	15	68	68	68	68	68	68	68	68	68
AMST 17288	104	102 1/2	104	104	Penny 65	15	68	68	68	68	68	68	68	68	68
AMST 17289	104	102 1/2	104	104	Penny 66	15	68	68	68	68	68	68	68	68	68
AMST 17290	104	102 1/2	104	104	Penny 67	15	68	68	68	68	68	68	68	68	68
AMST 17291	104	102 1/2	104	104	Penny 68	15	68	68	68	68	68	68	68	68	68
AMST 17292	104	102 1/2	104	104	Penny 69	15	68	68	68	68	68	68	68	68	68
AMST 17293	104	102 1/2	104	104	Penny 70	15	68	68	68	68	68	68	68	68	68
AMST 17294	104	102 1/2	104	104	Penny 71	15	68	68	68	68	68	68	68	68	68
AMST 17295	104	102 1/2	104	104	Penny 72	15	68	68	68	68	68	68	68	68	68
AMST 17296	104	102 1/2	104	104	Penny 73	15	68	68	68	68	68	68	68	68	68
AMST 17297	104	102 1/2	104	104	Penny 74	15	68	68	68	68	68	68	68	68	68
AMST 17298	104	102 1/2	104	104	Penny 75	15	68	68	68						

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## Y. Stock Exchange

Stock	High	Low	Close	Change
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02

## k Stock Quotations

(Closing prices of the week's trading.)

Stock	High	Low	Close	Change
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
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10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02

## American Exchange

Stock	High	Low	Close	Change
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02

## Treasury Bills

Bill	High	Low	Close	Change
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
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10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02

## International Bonds

Bond	High	Low	Close	Change
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02
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10000000	10.15	10.10	10.12	+0.02
10000000	10.15	10.10	10.12	+0.02

## Currency Rates

Currency	Rate
10000000	10.15
10000000	10.15
10000000	10.15
10000000	10.15
10000000	10.15
10000000	10.15
10000000	10.15
10000000	10.15
10000000	10.15
10000000	10.15

## Many Look To The Future

(Continued from Page 9)

especially in recent years. There has been virtually no long-range planning and no establishment of national priorities, but instead a general tendency to adopt 11th-hour remedies for specific problems regardless of the consequences on other aspects of the economy—flying by the seat of the pants, so to speak.

Successful businesses cannot operate in that fashion and do not. Well-managed economies cannot be run on an ad-hoc basis either, especially with the complexities and the interdependence of today's world. The Congress finally recognized the necessity of forward planning when it adopted legislation establishing a Joint House-Senate Economic Commission. The federal budget to try to give Congress a tool for setting the budget in long-run terms.

Broader-Plans Bid  
Then, two weeks ago, a group of leading American public figures held a news conference to put forth their views on the necessity for a national commitment for broader economic planning in the United States. There were 10 prominent signatories, including business leaders, the statement presented by Leonard Woodcock, president of the United Auto Workers; Wassily Leontief, Harvard University's Nobel Prize-winning economist; and Robert Rouse, a partner of Wall Street's prestigious investment firm, Rouse Brothers Hartman & Co. and an under secretary of the Treasury during the Kennedy administration.

Mr. Rouse had proposed some such action in a paper he delivered in Munich last November and which he circulated among many corporate executives afterward. He indicated in a recent interview that he had received considerable reaction to the proposal at that time.

"Half of those who responded," he declared, "said yes we need a greater commitment to planning. But with freedom of choice, and half said they just couldn't see the United States embarking on the planning road because we'd lose the vitality of our private enterprise system the more we get government involvement in it."

Mr. Rouse said he understood the antipathy of businessmen toward governmental planning since it seems to smack so much of socialism and totalitarianism; he said, however, that he and his group are not advocating greater government intrusion in the economy but rather "a more systematic look at the longer run as a guide and influence on what we are doing in specific areas today."

He and his associates in this proposal do not envision a vast new layer of government—not a 500-person staff such as Japan has. They advocate the employment of the highest government level of a small group with the obligation to look at various paths the government might take on certain matters, some of which might be in conflict, and to insert themselves as advisers in various decision-making processes by the executive branch so that the eventual policy bears more reasonably and consistently on particular problems.

## Euromarket

(Continued from Page 9)

Dealers report that turnover in the secondary market has picked up considerably and they note that there is much more retail buying than in recent weeks.

The decline in interest rates, fed by the widening evidence of recession, is also stimulating the medium-term syndicated bank loan market.

Operations in this sector had virtually dried up as banks found themselves up against their lending limits. But as outstanding loans at most U.S. banks have been dropping since the beginning of the year, lenders are now returning to the market. It is still very much of a lenders' market, but bankers are now talking about the likelihood that interest rates and charges in this market will decline in the months ahead.

Above LIBOR  
While they rule out any return to the low charge of 5/8 of a percentage point over the London interbank offered rate (LIBOR) seen a year ago, many bankers believe rates will be cut to range between 1 and 1 1/2 points over LIBOR instead of the spread of 1 1/4 to 2 per cent now current.

The rush to get into high yielding loans while still available is said to explain the ease with which Electricite de France put together a \$300-million loan. When launched last week managers of the loan were not sure whether it would be for \$200 million or more. The French state-guaranteed paper is pegged at 1 1/4 points over LIBOR.

Brazil, which has been a heavy borrower, was able to arrange for a \$140-million, five-year loan for Sao Paulo at 1 3/4 points over LIBOR.

The apparent distaste for foreign paper in the New York market was the subject of much discussion last week. Triple-A rated Calsonic Nationale des Telecommunications de France sold \$75 million worth of five-year notes at 9 1/2 with a coupon of 9 1/8 per cent. This represented a yield to maturity of 9 1/4 per cent—equal to what the SNCF had to pay in the Eurobond market and well above the 8 5/8-per-cent yield on the European Coal and Steel Community's triple-A-rated New York bonds.

A U.S. banker notes that the two issues were done under very different conditions with CNT hitting the market at a rather difficult period. However, summing up the European market, U.K. banker observed that the demand in New York for foreign paper is "rather limited."

International Institutions  
(7-15 Years)  
March 5: 9.75%, Feb. 26: 9.75%  
Industrials (7-15 Years)  
March 5: 10.05%, Feb. 26: 10.07%  
Industrials (3-7 Years)  
March 5: 7.94%, Feb. 26: 7.97%

Market Turnover  
March 7 Feb. 28  
Codel \$309.8 mil. \$306.2 mil.  
Euroclear \$195.6 mil. \$250.0 mil.

Moscow-Lisbon Flights  
MOSCOW, March 9 (Reuters).—The Soviet state airline, Aeroflot, Thursday began its first regular service from Moscow to Lisbon, using its 150-seat Il-62 airliner for the twice-weekly flights by way of Frankfurt. Beyond Lisbon, the flights continue to Havana.

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## Economic Semantics Game: Depression or a Recession?

By Philip Shabecoff

WASHINGTON, March 9 (NYT).—Depression. It is a word to send shivers down the spine of anyone over 50 years of age. It evokes dark images of bread lines and bankruptcies, dust bowls and suicides.

It is also a word being used by responsible public figures—generally liberals—for the first time since the 1930s to describe the state of the nation's economy.

George Meany, president of the AFL-CIO, has said that the country is in a depression and that the government ought to stop pretending it is anything else. A number of people in public life, including Sen. Harrison Williams Jr., D-N.J., have expressed agreement.

Such experts as the economists Paul Samuelson and Arthur Okun, as well as the chairman of the House Budget Committee, Rep. Brock Adams, D-Wash., have said in the last few days that the economy appears to be sliding into a depression.

For administration officials to reject the word, however, Ron Nessen, the White House press secretary, said last week: "We are certainly not in a depression."

## Pentagon Cuts Jobs At 17 Overseas Bases

WASHINGTON, March 9 (AP).—The Pentagon Friday announced cutbacks at 17 overseas bases, eliminating 3,300 military and 730 civilian jobs.

The forecast that costs will be reduced about \$50 million a year. The Pentagon did not identify the bases, nor the countries in which they are located.

Some Comparisons  
The White House insists that the word depression is inappropriate because conditions today are nothing like those during the Great Depression. Then, the unemployment rate reached 25 per cent. Both gross national product and industrial production declined by as much as a

third in constant dollars. One business cycle contraction lasted 43 months, a second 13 months.

In contrast, the unemployment peak so far in the current period is 8.2 per cent both for January and February.

The current downturn is generally estimated to have begun in November, 1973, 16 months ago. In that period, industrial production declined by 10.8 per cent in real dollars. Gross national product in the fourth quarter of 1974 was off 5 per cent, although it has gone down more sharply in the first months of 1975.

Administration aides also point out that a number of safeguards and stabilizers, such as unemployment insurance, public service employment, bank deposit insurance, food stamps and welfare payments, have become a part of the economy since the 1930s.

Highly Unlikely  
William Simon, the secretary of the Treasury, said last week that a depression like that of the 1930s was highly unlikely, although he conceded that those now out of work might consider the current situation a depression.

In effect, Mr. Simon was using the gallows-humor definition that holds: "A recession is when you are out of work; a depression is when I am out of work."

Those who contend that the nation is in or entering a depression agree that current conditions are nothing like those in the Great Depression. But they point out that the longest previous contraction after World War II lasted 13 months. Unemployment never rose as high as

8 per cent. Real gross national product never declined by as much as 4 per cent and the worst drop in industrial production was 5.3 per cent.

"We are talking about a different order of magnitude," Mr. Okun said. "The economy has now deteriorated to a point most of us have not seen in our adult lives."

Thus it can be said that the state of the economy is considerably better now than it was during the Great Depression but considerably worse than it was in any of the previous postwar contractions.

What word then should be used to describe economic conditions? And does it matter? White House officials insist that it does not matter—that the issue is only one of semantics. A ranking aide said: "We would be following the same policies no matter what word we used."

Truckers End Strike At Daily News in N.Y.  
NEW YORK, March 9 (AP).—The Daily News, the largest-circulation daily newspaper in the country, was back on the stands Thursday following a tentative agreement to end a wildcat strike by delivery truck drivers.

The paper's 900 drivers had struck over a dispute involving schedule changes which threatened to reduce their overtime pay, estimated by News and union officials to be about one-third of their wages. The drivers earn about \$24,000 a year. The tentative settlement called for each driver to relinquish about 3 1/2 hours of overtime—worth about \$40 a week.

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Wouldn't you like to have known, a year ago, that both British and U.S. balance of payments for 1974 would show a heavy deficit, thus weakening both dollar and pound against every other major currency?

Would it have helped you to know in January 1974 that crude oil prices would actually begin to flatten out and fall early this year, despite all indications to the contrary?

Would your plans have changed had you known, as early as September 1973, that the basic structural problems of the West German economy would outweigh the strengths of its export business, and that even without the oil crisis Germany's economy would have been in trouble in 1974 and 1975?

And what about gold? Did you suspect a year ago that its "official" price would be allowed to rise, to play an active part in strengthening the reserve of the industrial economies?

Would you have planned differently, if you'd known? Made different and perhaps better business decisions?

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